PAYSLIPS AND CODING NOTICES

This Help Sheet tells you where to get information to help you:

- enter the correct pay and tax details in the Employment Pages of your Tax Return, and
- if you have decided to calculate your tax,
  - enter figures in boxes C11.61 and C11.64 in the Tax Calculation Guide Working Sheet
  - fill in boxes 18.1 and 18.2 on page 7 of your Tax Return.

PAY AND TAX DETAILS

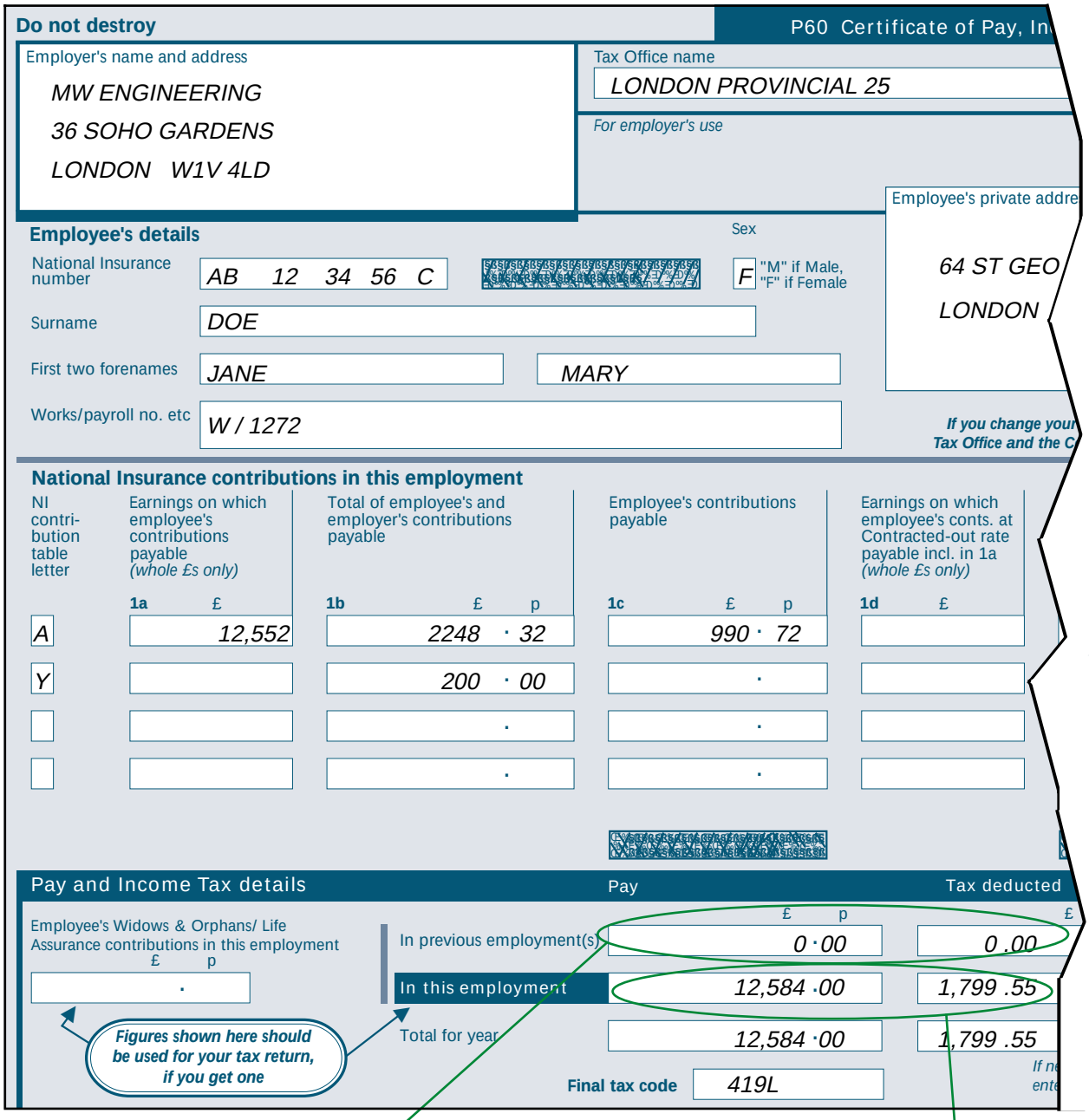
You might have several documents which show pay and tax details for employments you had in the tax year. Remember, if you had more than one employment in the tax year you have to complete separate sets of Employment Pages - see the Notes on Employment. Documents you might have are:

- a P60 if you were in employment on 5 April - see the example on page 2. Each employer for whom you worked on that date should give you a P60 by 31 May
- a P45 (Part 1A) if you left any job during the year - see the example on page 3. Each time you leave a job your employer should give you three parts of a P45. You should have kept Part 1A and given Parts 2 and 3 to your next employer, if you started a new job in the tax year
- payslips. Most employers give employees payslips when their wage or salary is paid. These show details of pay and tax, sometimes just for the pay period, but often from the beginning of the tax year, or the start of the job. Although it is a good idea to keep these slips, the P60s and P45s should provide you with the information you need for completing your Tax Return.

continued over

P60

Employers are allowed to design their own form, as long as they agree it with the Inland Revenue. But whatever the design, the information you need for your Tax Return will be shown on it somewhere. The P60 shown below is the Inland Revenue's standard design.
It shows the information required to complete the Employment Pages of your Tax Return.



Do not destroy — P60 Certificate of Pay, In

Employer's name and address: MW ENGINEERING, 36 SOHO GARDENS, LONDON W1V 4LD

Tax Office name: LONDON PROVINCIAL 25

For employer's use

Employee's private addre: 64 ST GEO, LONDON

Employee's details

National Insurance number	AB 12 34 56 C	Sex: F ("M" if Male, "F" if Female)
Surname	DOE	
First two forenames	JANE	MARY
Works/payroll no. etc	W / 1272	

If you change your Tax Office and the C

National Insurance contributions in this employment

NI contribution table letter	1a Earnings on which employee's contributions payable (whole £s only) £	1b Total of employee's and employer's contributions payable £ p	1c Employee's contributions payable £ p	1d Earnings on which employee's conts. at Contracted-out rate payable incl. in 1a (whole £s only) £
A	12,552	2248 · 32	990 · 72	
Y		200 · 00	·	
		·	·	
		·	·	

Pay and Income Tax details

	Pay £ p	Tax deducted £
In previous employment(s)	0 · 00	0 .00
In this employment	12,584 · 00	1,799 .55
Total for year	12,584 · 00	1,799 .55

Employee's Widows & Orphans/ Life Assurance contributions in this employment £ p: ·

Figures shown here should be used for your tax return, if you get one

Final tax code: 419L

If there are any figures in these boxes, you will need to refer to P45s (Part 1A) (see page 3) before completing a set of Employment Pages for any previous job(s).

On the set of Employment Pages that apply to this P60, enter these figures in boxes 1.8 and 1.11.

Enter in your Employment Pages only the figure of pay used by your employer to calculate your tax deductions. This is usually described on your P60 as 'In this employment' or 'This employment pay for tax purposes'. To arrive at this figure your employer will usually have deducted from your gross pay certain items, such as your pension contributions (and charitable donations). Some employers show the pension contributions you have paid. (Make sure that you do not include these contributions in the figures you give for employment income in your Employment Pages.)

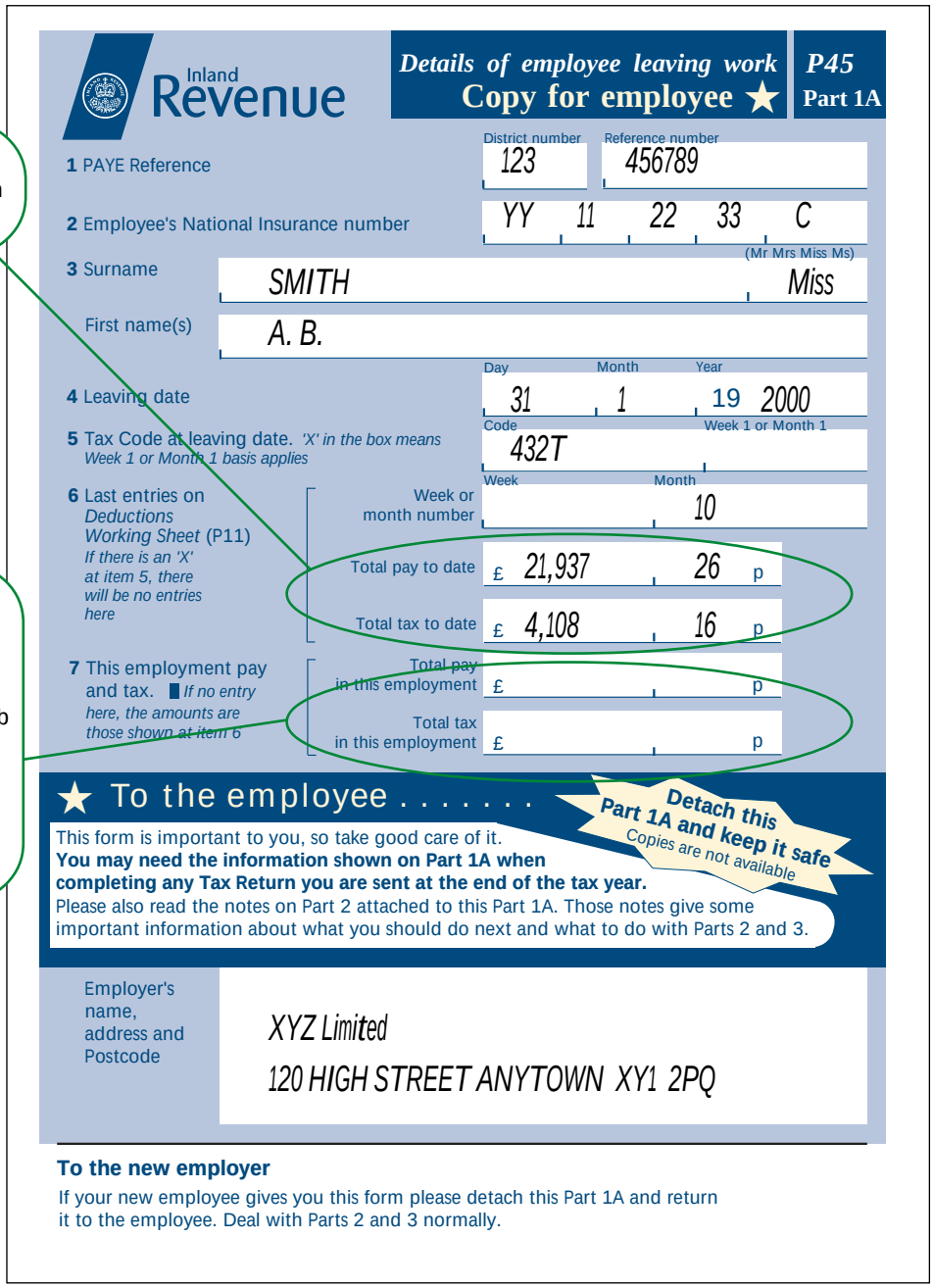
P45 (Part 1A)

You should have a P45 (Part 1A) for each job you had during the year other than one for which you got a P60 (because you were in that employment on 5 April). A **separate set** of Employment Pages must be completed for **each** of your previous employments. P45s are the easiest way to find the figures for the set of Employment Pages for each of your previous employments.

P45 (Part 1A) looks like this.

On the set of Employment Pages that apply to this P45, enter these figures in boxes 1.8 and 1.11.

If there are entries at item 7 copy the figures to boxes 1.8 and 1.11 on the Employment Pages for this P45. But there may not be any entries at item 7 because this was the only job you had since 5 April. In that case the entries at item 6 on the P45 **are** the pay and tax for 'this employment' and you should copy the item 6 figures to boxes 1.8 and 1.11.



Inland Revenue

Details of employee leaving work
Copy for employee ★

P45 Part 1A

1 PAYE Reference — District number: 123 — Reference number: 456789

2 Employee's National Insurance number: YY 11 22 33 C

3 Surname: SMITH (Mr Mrs Miss Ms): Miss

First name(s): A. B.

4 Leaving date: Day 31 Month 1 Year 19 2000

5 Tax Code at leaving date. *'X' in the box means Week 1 or Month 1 basis applies*: Code 432T — Week 1 or Month 1

6 Last entries on *Deductions Working Sheet* (P11) *If there is an 'X' at item 5, there will be no entries here*: Week or month number: Week / Month 10

Total pay to date: £ 21,937 26 p

Total tax to date: £ 4,108 16 p

7 This employment pay and tax. *If no entry here, the amounts are those shown at item 6*

Total pay in this employment: £ p

Total tax in this employment: £ p

★ To the employee . . . . . .

Detach this Part 1A and keep it safe — Copies are not available

This form is important to you, so take good care of it.
You may need the information shown on Part 1A when completing any Tax Return you are sent at the end of the tax year.
Please also read the notes on Part 2 attached to this Part 1A. Those notes give some important information about what you should do next and what to do with Parts 2 and 3.

Employer's name, address and Postcode: XYZ Limited, 120 HIGH STREET ANYTOWN XY1 2PQ

To the new employer

If your new employee gives you this form please detach this Part 1A and return it to the employee. Deal with Parts 2 and 3 normally.

Payslips

It will probably be more difficult to find the right figures in your payslips than to use P60s and P45s. But payslips can be a useful way to check that the figures you have used are the right ones.

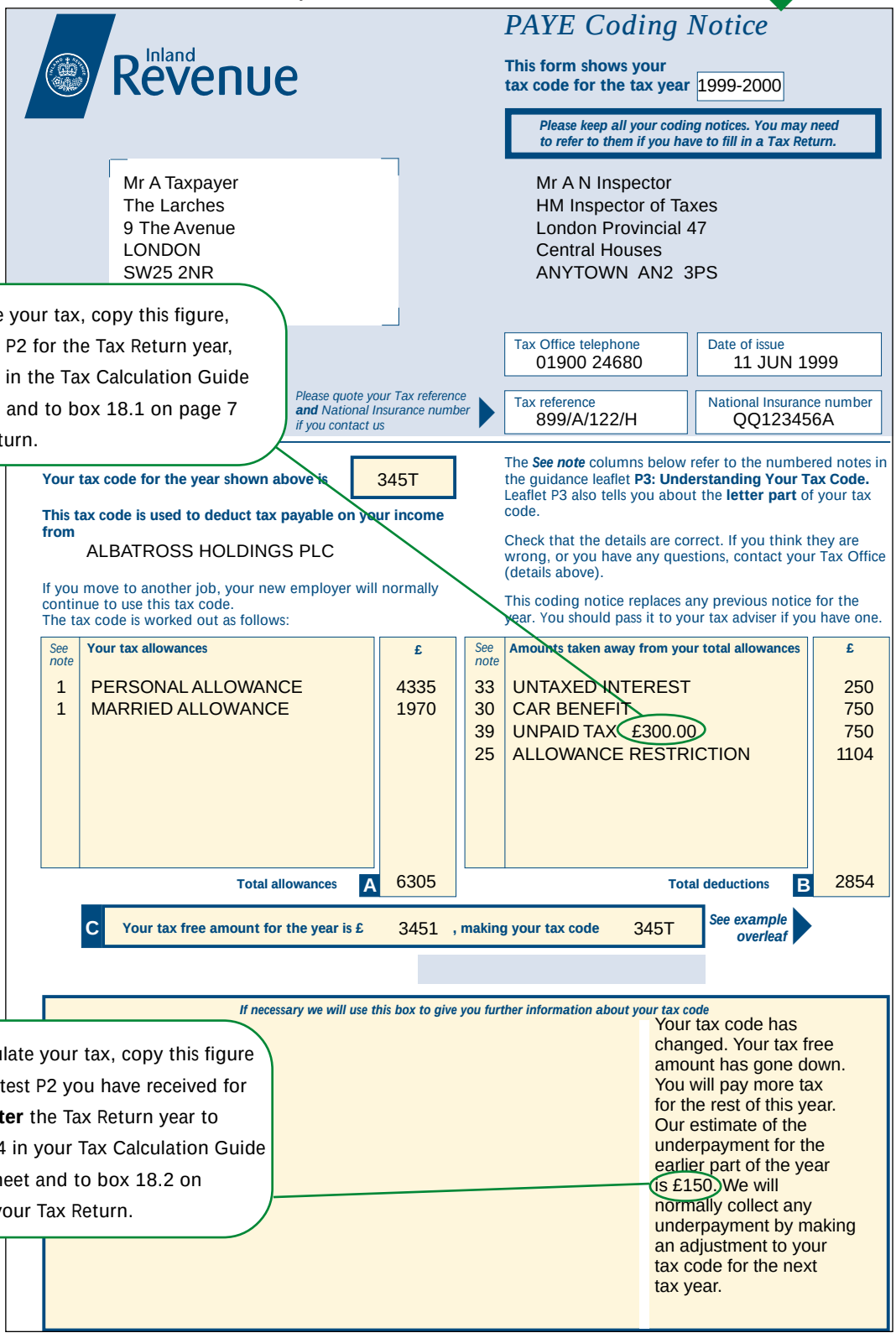
COLLECTING TAX UNPAID FOR EARLIER YEARS THROUGH YOUR PAYE CODE FOR ANOTHER YEAR

You should have kept all the PAYE coding notices, forms P2, which you received from the Inland Revenue. Your tax code for the tax year may have been adjusted to collect tax unpaid in an earlier year. Similarly, your tax code for the year after the tax year may have been adjusted to collect tax for the Tax Return year. The latest coding notice for each tax year will show the amount of the tax that is being collected in this way, as illustrated below. If you are calculating your own tax bill on your Tax Return, take the amount of these underpayments into account or your tax bill will be too high. You should therefore refer to:

- the last P2 you received for the Tax Return year
- the last P2 you have received for the year **after** the Tax Return year.

If you did not keep your last P2, or have lost it, contact your Inland Revenue office.

A Coding Notice, P2, looks like this.



Inland Revenue

PAYE Coding Notice

This form shows your tax code for the tax year 1999-2000

Please keep all your coding notices. You may need to refer to them if you have to fill in a Tax Return.

Mr A Taxpayer
The Larches
9 The Avenue
LONDON
SW25 2NR

Mr A N Inspector
HM Inspector of Taxes
London Provincial 47
Central Houses
ANYTOWN AN2 3PS

Tax Office telephone 01900 24680
Date of issue 11 JUN 1999
*Please quote your Tax reference **and** National Insurance number if you contact us*
Tax reference 899/A/122/H
National Insurance number QQ123456A

If you calculate your tax, copy this figure, from the latest P2 for the Tax Return year, to box C11.61 in the Tax Calculation Guide Working Sheet and to box 18.1 on page 7 of your Tax Return.

Your tax code for the year shown above is 345T

This tax code is used to deduct tax payable on your income from
ALBATROSS HOLDINGS PLC

If you move to another job, your new employer will normally continue to use this tax code.
The tax code is worked out as follows:

The ***See note*** columns below refer to the numbered notes in the guidance leaflet **P3: Understanding Your Tax Code.** Leaflet P3 also tells you about the **letter part** of your tax code.

Check that the details are correct. If you think they are wrong, or you have any questions, contact your Tax Office (details above).

This coding notice replaces any previous notice for the year. You should pass it to your tax adviser if you have one.

See note	Your tax allowances	£
1	PERSONAL ALLOWANCE	4335
1	MARRIED ALLOWANCE	1970
	Total allowances A	6305

See note	Amounts taken away from your total allowances	£
33	UNTAXED INTEREST	250
30	CAR BENEFIT	750
39	UNPAID TAX £300.00	750
25	ALLOWANCE RESTRICTION	1104
	Total deductions B	2854

C Your tax free amount for the year is £ 3451 , making your tax code 345T

See example overleaf

If necessary we will use this box to give you further information about your tax code

Your tax code has changed. Your tax free amount has gone down. You will pay more tax for the rest of this year. Our estimate of the underpayment for the earlier part of the year is £150. We will normally collect any underpayment by making an adjustment to your tax code for the next tax year.

If you calculate your tax, copy this figure from the latest P2 you have received for the year **after** the Tax Return year to box C11.64 in your Tax Calculation Guide Working Sheet and to box 18.2 on page 7 of your Tax Return.

These notes are for guidance only, and reflect the position at the time of writing. They do not affect any rights of appeal.